1H15 FINANCIAL RESULTS

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September, 2015

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1H15 Highlights

Strong sales growth across all brands and categories, sustained by positive LfL (notwithstanding a very strong 1H14 performance) and network expansion slightly ahead of plan

+7.1%

Increase in Net Sales

Increase in sales driven by (i) positive LfL (+1.6%) and (ii) network expansion (+5.5%, mainly driven by DOS with +17 full format OVS)

+17

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+98 other stores
mainly Kids in franchising

Further market share increase to 6.7% as at June 2015 (+30bps vs. Dec 2014 and +20 bps vs. Mar 2015)

€67.7m EBITDA, €11.5m higher than 1H14 (+20.4%), with profitability increasing to 11.1% of sales (+120 bps) driven by higher sales at stable GM%, operating leverage, accretive contribution of franchise sales and continued cost control

+20.4%

EBITDA Growth

€33.2m PBT, €35.2m higher than 1H14, benefitting also from the improved capital structure as a result of the IPO. €20.0m Net result.

Source: Sita Ricerca for market share

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Key Income Statement Items
Positive performance continues in 1H15

Key Metrics*	1H15 € mln	1H15 % of Net Sales	1H14 € mln	1H14 % of Net Sales	Growth
Net Sales	611.1		570.4		*7.1%*
EBITDA	67.7	*11.1%*	56.3	*9.9%*	*20.4%*
EBIT	40.1	*6.6%*	28.0	*4.9%*	*43.2%*
PBT	33.2	*5.4%*	(2.0)	*(0.4)%*	*n.a.*
Net Income	20.0	*3.3%*	-14.8	*(2.6)%*	*n.a.*

- 1H15 Net Sales increased by 7.1% driven by an expanded selling area and positive LfL performance (+1.6% in a still uncertain market environment and notwithstanding the strong +7.3% LfL recorded in H1 2014); both brands and all the main product categories (especially menswear and womenswear) displayed positive growth rates
- EBITDA increased by 20.4% driven by (i) sales growth at constant GM; (ii) operating leverage; (iii) accretive impact of higher contribution of franchise to the sales mix; (iv) further roll-out of cost control initiatives
  - EBITDA margin increased by approx. 120bps to 11.1%
- PBT increased by €35.2m benefitting from operating leverage and lower interest charges (-€23.1m) as a result of the debt refinancing at IPO

* Excluding extraordinary costs mainly related to the IPO and the refinancing

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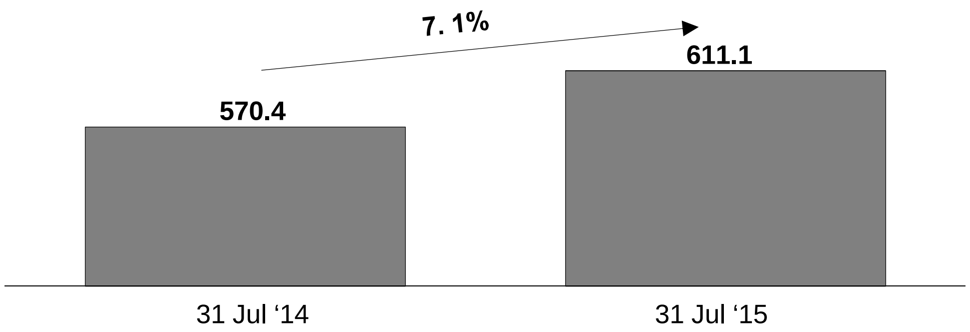
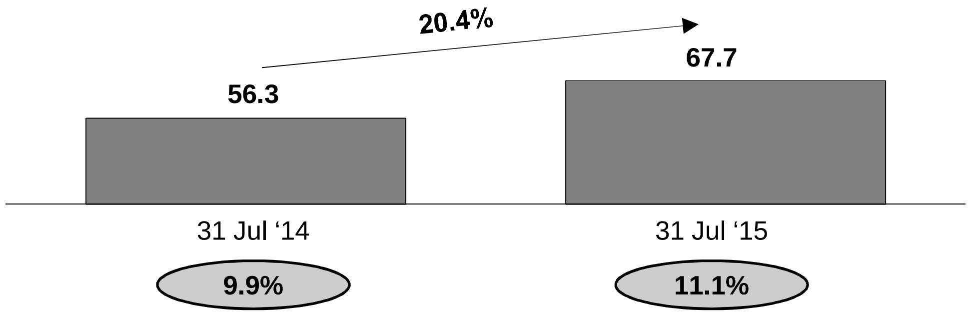
Sales and EBITDA Performance

	Net Sales (€mln)	EBITDA (€mln)

Aggregate Performance



- Improved operating leverage
- Accretive impact of higher franchise sales
- Increase in EBITDA and margin for both brands



Performance By Brand(*)

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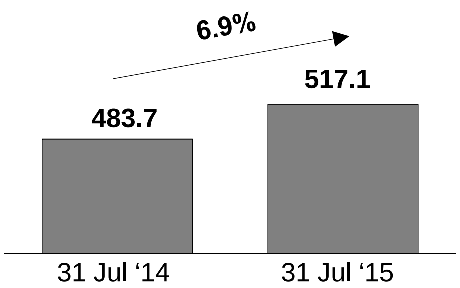

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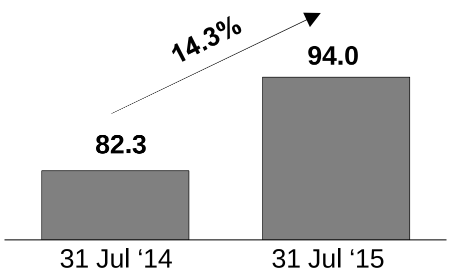

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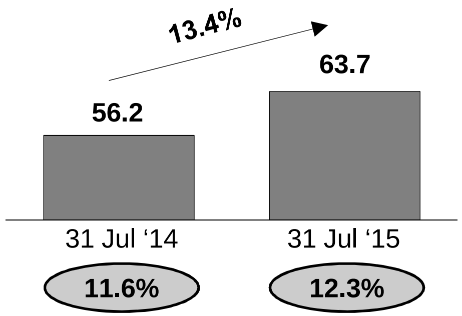

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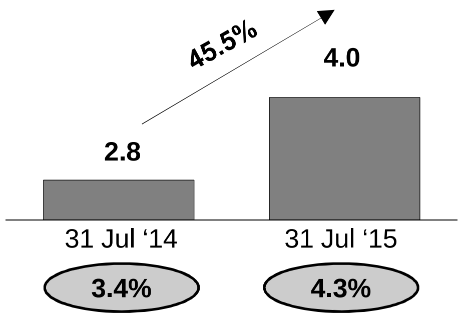

Margin %

(*) Excluding "Other": €4.4m net sales and €(2.7)m EBITDA in 1H14; nil in 1H15

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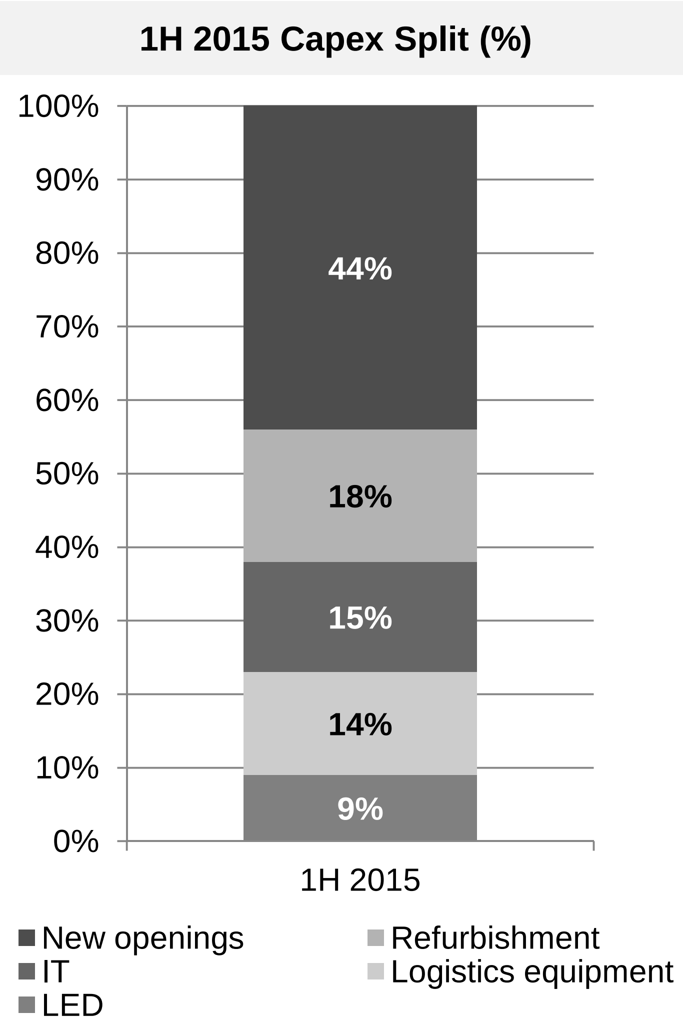
Net Working Capital

€ mln	31 July '15	31 July '14	Change
Accounts Receivable	65.0	59.6	5.4
Inventory	301.9	280.1	21.8
Accounts Payable	(367.6)	(314.7)	(52.9)
Net Working Capital	(0.7)	25.0	(25.7)

- The current working capital structure improved and is coherent with the seasonal trends of the business:
  - Accounts receivables grew in connection with the growth of the franchise network (with new openings also requiring an initial investment in merchandise by the franchisees)
  - Inventory growth mirrored the sales and store network expansion
  - Accounts payables also grew in line with the overall expansion of the business, whilst DPO remained substantially stable

Capex

- Capex (€33.9m in 1H15) is slightly ahead of consensus for full year as a result of **new openings** continuing ahead of schedule. The 1H15 capex spending includes:
  - ✓ new openings (c. 44% of total capex)
  - ✓ refurbishment and maintenance of the existing network (c. 18%)
  - ✓ IT and special projects (c.15%) mainly related to operational projects
  - ✓ automated logistics equipment (c. 14%) to support the replenishment projects (increasing speed, efficiency and capacity)
  - ✓ Capex for the LED project (c. 9%) entirely managed through vendor financing



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Consolidated Cash Flow Statement

€ mln	1H15
EBITDA	**67.7**
Change in Net Working Capital	(13.1)
Change in other assets (liabilities)	(11.5)
Capex	(33.9)
Operating Cash Flow	**9.2**
Financial Expenses	(12.3)
TFR (Employees’ leaving indemnity)	(1.6)
Taxes	(17.9)
IPO costs (excl. bank commissions)	(3.4)
IPO proceeds (net of bank fees)	349.0
Other	(5.8)
Net Cash Flow (before MtM derivatives and amortized costs)	**317.2**
Change in MtM derivatives and amortized cost	(12.0)
Cumulated Net Cash Flow	**305.2**

- Seasonality pattern in line with previous years with most of the net cash is generated in the second half (as typical for our industry sector)

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Net Debt and Leverage

€ mln	31 July '15	31 January '15
Net Debt	319.2	624.4
EBITDA LTM	168.5	157.1
Leverage on EBITDA	1.9x	4.0x

- During 2015 leverage declined by 2.1x EBITDA vs. 31 January 2015 mainly due to the proceeds from the IPO. The leverage ratio will further benefit from cash generation of 2H of the year.
- Residual net debt at the IPO has been entirely refinanced at more favorable interest rates:
  - The average interest rate in 1H15 was 3.71% vs. 5.49% in 1H14
  - The 1H15 still does not reflect in full the benefit of the refinancing (c. only 5 months in the semester experienced lower rates). The current interest rate is 3.00% + Euribor 3M (currently close to 0%)

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Outlook

- Revenues expected to grow in line with management plans
- Network expansion is on track
  - +18 stores since 31-Jul-2015, of which 5 full format DOS and 13 franchise “kids” stores
  - In early September OVS opened its largest flagship store ever, covering an area of 2,800m^2 in Corso Buenos Aires (a key shopping route in Milan). The store was a former UPIM which enjoys great commercial visibility and a large space. The rationale behind the new opening was:
    - To portray a successful, modern, contemporary and international image and store design to compete with the global key players with strong brand image and significant presence
    - To allow OVS to compete with best-in-class players in terms of merchandising assortment breadth and space allocation
- Selective focus on international expansion in certain markets, both via full format as well as via kids stores
  - New agreement signed with a high profile commercial partner in the Middle East in order to open new franchise stores within important shopping malls of the region

Appendix

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Consolidated Balance Sheet Statement

€ mln	31 July '15	31 January '15	Delta
Receivables	65.0	73.0	(8.0)
Inventory	301.9	287.6	14.2
Payables	(367.6)	(374.4)	6.9
Net Operating Working Capital	**(0.7)**	**(13.8)**	**13.1**
Other Short-term Non-financial Receivables (Payables)	(50.5)	(69.5)	19.0
Net Working Capital	**(51.2)**	**(83.3)**	**32.1**
Net Assets	1,349.5	1,343.9	5.5
Net Deferred Taxes	(162.5)	(168.5)	6.0
Other Short-term Non-financial Receivables (Payables)	(4.7)	(5.9)	1.3
Severance Indemnity Provision and Other Provisions	(49.9)	(53.8)	4.0
Net Invested Capital	**1,081.2**	**1,032.4**	**48.8**
Equity	762.0	408.0	354.2
Net Debt	319.2	624.4	(305.2)
Total Source of Funding	**1,081.2**	**1,032.4**	**48.8**